



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2631 (1951)  
August 20, 1992

SUBJECT: Review of Limited Resource Farm Ownership  
and Operating Loans

TO: State Directors, District Directors  
and County Supervisors

PURPOSE/INTENDED OUTCOME:

This administrative notice (AN) provides guidance for using the "Limited Resource Loan Review" Report Code (RC) 760-A, "Past Due Reviews," and (RC) 760-D, "Six Month Notice of Review Date." The intended outcome is to clarify the steps necessary to report or input the actual review date and, if applicable, the increased interest rate and revised installment amount(s) to the Automated Discrepancy Processing System (ADPS).

COMPARISON WITH PREVIOUS AN:

This Administrative Notice (AN) replaces AN No. 1803(1951) issued September 22, 1988, which expired on September 30, 1989.

IMPLEMENTATION RESPONSIBILITIES:

Section 1951.25 of FmHA Instruction 1951-A, "Servicing and Collections, Account Servicing Policies," requires that Farm Ownership (FO) and Operating Loans (OL) be reviewed annually at the time the analysis is conducted in accordance with subpart B of Part 1924 of this Chapter and any time servicing actions are taken, such as consolidations, reschedulings, reamortizations, or deferrals. All Limited Resource loans must be reviewed annually and the date of the review input on ADPS. When applicable, the interest rate is increased and installment amount(s) revised.

To assist field offices when reviewing limited resource FO and OL loans, Report Codes 760-A and 760-D were developed. These semi-annual reports are sent to each servicing office on March 31st and September 30th of each year. They provide information on loans that are past due for the annual review and loans that are eligible for review during the next 6 months.

EXPIRATION DATE: August 15, 1992

FILING INSTRUCTION:  
Preceding FmHA  
Instruction 1951-A



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

In some instances, borrowers who no longer receive the limited resource interest rate may appear on the report. If a borrower does not receive the limited resource interest rate but still appears on the report, the servicing office should submit a letter to the appropriate Finance Office loan servicing team identifying the case number, fund code, and loan number of the account that should not appear on the RC 760-A and/or RC 760-D.

The following procedures relate to entering changes to ADPS:

- . If changes to the interest rate are not required, process transaction code (TC) 8M, "Limited Resource Loan Review," to record the date of the limited resource loan review. The 8M transaction will update the review date for all limited resource loans for that borrower.
- . If the review shows the interest rate needs to be increased, process an 8R transaction, "Interest Rate Adjustment," to update the review date, change the interest rate, and to amend the installment. The 8R transaction must be processed for each loan being increased.
- . If Limited Resource loans are changed to regular rates, process the 8R transaction to change the interest rate, the kind code, and to amend the installment information. The 8R transaction must be processed for each loan being changed to regular rates.
- . Do not process 8R transactions when loans are erroneously shown as limited resource. Information for changing the kind code should be submitted to the appropriate Finance Office loan servicing team.

Questions regarding the processing of the 8M/8R transactions should be directed to your State Office Information Resource Manager. Questions related to the content of the report should be referred to the Financial and Management Reports Section, at 314-539-2426. Questions related to policy matters on this subject should be directed to the Farmer Programs Loan Servicing and Property Management Division, National Office, at FTS (202)-720-4572.

ANY REVISIONS OR MODIFICATIONS TO THIS AN THAT YOU WISH TO PUBLISH AS A STATE DIRECTIVE MUST BE SUBMITTED AND APPROVED BY THE ASSISTANT ADMINISTRATOR OF FARMER PROGRAMS BEFORE IT IS RELEASED FOR IMPLEMENTATION IN YOUR STATE. THE ONLY EXCEPTION TO THIS REQUIREMENT IS WHEN THE REVISION OR MODIFICATION IS NECESSARY FOR COMPLIANCE WITH STATE LAW.

A handwritten signature in dark ink, appearing to read "La Verne Ausman", written in a cursive style.

LA VERNE AUSMAN  
Administrator